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Testimony Regarding S.B. 1135: An Act Establishing a Sustainable Path for Maintaining the Budget Reserve Fund and Reducing the Effect of Revenue Volatility on the State Budget

Finance, Revenue and Bonding Committee

April 23, 2015

Senator Fonfara, Representative Berger, and distinguished members of the Committee:

My name is Edie Reichard. Thank you for this opportunity submit written testimony on behalf of Sleeping Giant Day Care, Inc. in Hamden CT.

S.B. 1135 seeks to reduce the effect of revenue volatility on our state's budget. I testify in favor of this effort, as well as in favor of higher revenue in the upcoming fiscal years to avoid harmful cuts to critical public services.

The cuts are deep. The Governor's budget cuts nearly \$600 million from programs critical to families across the state, including:

- \$158.0 million from the State Department of Education
- \$49.3 million from the HUSKY health insurance program for children, families and pregnant women
- \$65.9 million from higher education; and
- \$11.3 million from the Office of Early Childhood.

The cuts are unfair. Spending on children and families makes up only a *third* of the budget, but over *half* the cuts.

The cuts are shortsighted. Failing to invest now in our best resource, our children, means we will pay much more later.

Sleeping Giant Day Care, Inc. is a State Funded Child Daycare Center. We serve children 3 -5 years old in Hamden. We serve working families who are in the very-low to low income range. We have 30 children and 8 staff in our program. These cuts will hurt many of our families who are on HUSKY health insurance. It will also hurt many of our staff who are working toward higher education degrees in order to meet the state mandates regarding AS & BA degree staff in all classrooms.

In order to avoid the harmful effect of these cuts, I ask the committee to raise revenue. I support the revenue ideas of groups like Connecticut Voices for Children, including a more progressive income tax, the elimination of certain tax breaks, and raising the cigarette tax, among other.

We need to make better choices. Every cut we make is a choice, and we must make better choices. For example:

- If we choose to end the 1997 tax break for Internet services (\$62.2 million), we can maintain health insurance coverage for low-income parents and pregnant women (\$49.3 million) and restore the EITC (\$11.0 million).
- If we choose to make our personal income tax more progressive (\$300 million), we can prevent significant cuts to K-12 and higher education (\$223.9 million), restore cuts to the Office of Early childhood (\$11.3 million), and much more.
- If we choose to eliminate a 1993 tax break for amusement and recreation services (\$70.0 million), we can maintain state support for developmentally disabled children (\$20.0 million), the Department of Children and Families (\$15.7 million), youth mental health and addiction services (\$2.7 million) and more.

Thank you for taking the time to read this testimony.

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